



BULLETIN

No. 17-2

January 23, 2017

The latest CWCI Industry Research Information System (IRIS) Regional Score Card profiles job injury claims filed by workers living in San Diego County and finds that this region accounts for 8.1 percent of all workers' compensation claims in California, but due to relatively low claim costs, only 6.2 percent of paid losses in the state.

For its latest Score Card, CWCI compiled data on nearly 154,000 claims from accident years 2005 through 2015 filed by workers living in San Diego County, which resulted in \$1.83 billion in paid losses. The county is the second most heavily populated county in California, and is bordered by Orange and Riverside Counties to the north, Imperial County to the east, Mexico to the south, and the Pacific Ocean to the west. Residents in the region are heavily concentrated in the city of San Diego and its surrounding suburbs, and during the 11 years ending in 2015, claims by these residents ranged between 7.9 percent and 8.3 percent of all job injury claims in the state. The distribution of claims by industry shows that health care was the top sector for job injuries in San Diego County, accounting for 15.2 percent of all claims in the region, which was also the highest level in the state. Compared to other parts of California, San Diego County also had a relatively high proportion of claims from workers employed in the hotel and food service sector; retail trade; construction; and the professional, science and tech services sectors. Together, these four sectors combined for nearly 40 percent of all claims in the region versus 32.6 percent of the claims in other parts of California. The mix of claims by employer size showed a slightly higher share of San Diego claims were filed against large employers, as 28.9 percent of claims in the region involved employers that paid at least \$500,000 in annual premium vs. 27.3 percent elsewhere, while a smaller share of the San Diego claims involved employers paying less than \$100,000 in premium (40.9% vs. 42.4%).

Demographic data on injured workers from San Diego County show their average age at the time of injury was 38.5 years, which was in line with the 38.3 year average for the rest of the state, though they had slightly less job tenure (4.3 years vs. 4.7 years in other regions). The most significant difference was in the distribution of claims by gender, as that breakdown showed females filed 41.1 percent of the San Diego claims, which was the highest proportion in the state and 5 percentage points higher than in other regions. Data on the regional mix of workers' compensation translation services from 2013 through 2015 revealed that despite its proximity to Mexico, only 6.3 percent of those services involved San Diego County residents, which was a disproportionately low share given that 8.1 percent of all claims came from the region.

The distribution by claim type shows that medical-only claims represented 71.5 percent of the San Diego County claims over the 11-year span, nearly 3 percentage points higher than in other regions, while permanent disability (PD) claims accounted for 15.0 percent compared to 16.1 percent elsewhere; and temporary disability (TD) claims represented 13.5 percent of the San Diego County claims vs. 15.3 percent of the claims in the rest of California. The breakdown of paid losses by claim type shows med-only claims consumed 7 cents out of every claim dollar in San Diego County versus 5.3 cents in the rest of the state, and TD claim payments accounted for 13.4 cents vs. 12.0 cents in the rest of the state. On the other hand, 79.6 cents of every paid loss dollar in San Diego went to PD and death claims, which was 3.2 cents less than the 82.8 cents out of every loss dollar that went toward PD and death claims in other regions.

As in other regions, strains were the top nature of injury category in San Diego, noted in 29.2 percent of the AY 2005-2015 claims. In general, the "nature of injury" and "cause of injury" distributions for San Diego claims were similar to those for claims from the rest of California, with the biggest differential being a 1.7 percentage point difference in claims involving "all other, cumulative injury" claims, noted in 3.4 percent of the San Diego claims versus 5.1 percent of claims from other regions. The most common diagnostic categories in San Diego and in other regions were minor wounds and injuries to the skin; medical back problems without spinal cord involvement; or sprains of the shoulder, arm, knee or lower leg; which together comprised 58.2 percent of the San Diego claims vs. 56.1 percent elsewhere. Similarly, the distribution of loss payments by diagnostic category showed mostly minor variations from other regions, though ruptured tendons, tendonitis, myositis, and bursitis represented a larger share of the San Diego loss payments (9.4 vs. 6.5 percent), while claims for other injuries, poisonings, and toxic effects consumed just 6.2 percent of San Diego claim dollars – about half the proportion noted elsewhere.

With the exception of AY 2005-2007 claims at 12 and 24 months, when slightly higher initial medical payments made San Diego claims more expensive than claims from other regions, over the past decade average benefit payments on San Diego claims have been less than in other regions, as both medical and indemnity payments have been less. Comparing accident year losses at different levels of development shows the differences in average amounts paid on San Diego claims compared to other regions have become more pronounced as the claims have aged, with the 36-month data on AY 2011-2012 claims showing average paid losses on San Diego County claims were 10.1 percent less than in other regions, as medical payments averaged \$17,786, or 9.9 percent less than the rest of the state and indemnity payments on San Diego claims averaged \$14,575, or 10.3 percent less. Several findings documented by the Score Card likely contributed to these lower costs, including shorter claim durations and higher claim closure rates among the San Diego County claims, especially among permanent disability (PD) cases; a different mix of claims, with a higher proportion of medical-only cases and a lower proportion of PD claims in San Diego; and fewer visits for evaluation and management and Medicine Section services. The Score Card also notes that the average amounts paid at 24 months post injury for six major treatment categories were lower for San Diego County claims than for claims from other regions, with the most significant differences being in the average paid for Medicine Section services (\$151 less); radiology (\$57 less); and physical therapy (\$42 less).

Comparing the growth in average paid losses on indemnity claims at the 36-month benchmark across accident years shows total paid benefits per San Diego County claim increased 29.0 percent from \$25,092 for AY 2005-2007 claims to \$32,361 on AY 2011-2012 claims, nearly matching the 29.5 percent growth in other regions, where average paid losses increased from \$27,793 on AY 2005-2007 claims to \$35,980 on AY 2011-2012 claims. Medical payments accounted for the majority of the increase in San Diego County, climbing nearly 35.1 percent, which outpaced the 27.1 percent growth noted in the rest of the state, but at the same time the average indemnity paid at 36 months rose just 22.2 percent on San Diego claims while average indemnity payments on claims from other regions increased 31.5 percent.

The Score Card also identified several other characteristics of San Diego County claims that are associated with lower costs. For example, data on AY 2013 claims showed that the claim process tends to unfold more quickly in San Diego County than in other regions. On average, employers were notified of the injury 2.8 days sooner in San Diego than in other parts of the state (9.4 days vs. 12.2 days); the time lag to claims administrator notification was 3.9 days faster (30.4 days vs. 34.3 days); and the initial treatment visit occurred 2.8 days sooner (32.2 days vs. 35.0 days). In addition, the San Diego County claims had smaller differentials between the average and median time lags between the injury date and the employer and claims administrator notifications, indicating that the average time lags for the San Diego County claims were less skewed by outlier claims in which key notifications were delayed for long periods. That result dovetails with the finding that attorney involvement rates for indemnity claims in San Diego County were below those in other parts of the state across the entire 11-year span of the study, with just 44.9 percent of the AY 2005-2015 indemnity claims filed by San Diego County residents involving an attorney, compared to 49.1 percent of indemnity claims from the rest of the state. Similarly, attorney involvement rates on PD claims that were at least three years old also were lower in San Diego across all accident years, with those rates ranging from 2.2 to 7.6 percentage points less in San Diego than elsewhere.

Compared to the nearby Inland Empire/Orange County and Los Angeles, San Diego claims were less likely to result in PD, had shorter notice and treatment time lags, fewer liens, fewer medical visits, and less attorney involvement -- all of which are associated with shorter claim durations, higher claim closure rates, and lower costs. Among closed and resolved claims, the average claim duration in San Diego was much shorter than in other regions. Overall, San Diego County claims averaged 341 days from claim filing to closure, 50 days less than claims from other regions and 46 days less than the statewide average. Further confirming the shorter duration of the San Diego claims, the Score Card found that 77.2 percent of AY 2005-2013 claims from San Diego were closed within 2 years versus only 73.5 percent in other regions.

The San Diego County Score Card is the fifth in CWCI's 8-part Regional Scorecard series and includes more detailed data and graphics on workers' compensation claims experience within this region. CWCI members and subscribers may access Score Cards for San Diego County, as well as the San Francisco Bay Area, the Central Valley, the Inland Empire/Orange County, and Los Angeles County in the Research section of the Institute's website at www.cwci.org. The series will continue next month with a look at claims from the Central Coast, a region that stretches from Ventura County in the south northward along the coast to Santa Cruz and Monterey Counties in the north.

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